

THE LAW OFFICES OF RANDOLPH H. GOLDBERG
RANDOLPH H. GOLDBERG, ESQ.
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Attorney for Debtors

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

DOMINICK LOMBARDI

Debtor(s).

Chapter 13 Proceedings
Case No.: BK-S-09-15904-BAM

Date: 1/14/2010
Time: 2:30 p.m.

**MOTION TO VALUE COLLATERAL, "STRIP OFF" AND MODIFY RIGHTS
OF LITTON LOAN SERVICING (SECOND MORTGAGE) PURSUANT
TO 11 U.S.C. §506(a) AND §1322**

Comes Now the Debtors, **DOMINICK LOMBARDI** (hereinafter the "debtors"), by and
through THE LAW OFFICES OF RANDOLPH H. GOLDBERG, and respectfully move this
Court pursuant to 11 U.S.C. §506(a), and §1322, and Bankruptcy Rules 3012 and 9014.

STATEMENT OF FACTS

1. Debtors filed the instant Chapter 13, Case Number **09-15904** on **APRIL 17, 2009**.
2. As of the date of filing, debtors owned real property located at **473 DALGREEN PLACE HENDERSON, NEVADA 89012** (hereinafter the "Subject Property").
3. Debtors have obtained a residential appraisal that places the value of the subject property at **\$180,000.00**.

1 4. At the time of filing the instant petition, the Subject Property was subject to
2 the following liens:

3 **LITTON LOAN SERVICING (First Mortgage): \$213,097.00**

4 **LITTON LOAN SERVICING (Second Mortgage): \$51,491.00**

5
6
7 5. Therefore, on the date the instant bankruptcy was filed, no equity existed in
8 the Subject Property above the claims of **LITTON LOAN SERVICING**.

9
10 6. **LITTON LOAN SERVICING's** claim was wholly unsecured on the
11 petition date and if the Subject Property was sold at auction **LITTON LOAN SERVICING**
12 would receive nothing.

13
14 7. Accordingly, the debtors request that Your Honor find that **LITTON LOAN**
15 **SERVICING's** claim is unsecured and should be reclassified as a general
16 unsecured claim to receive pro rata with other general unsecured creditors through
17 the debtors' chapter 13 plan.

18
19 **LEGAL ARGUMENT**

20 In *In re Zimmer*, 313 F.3d 1220 (9th Cir. 2002), the Court stated that a wholly unsecured
21 lien holder's claim can be modified and reclassified as a general unsecured claim pursuant to 11
22 U.S.C. §506(a), despite the anti-modification language in §1322(b)(2). Specifically, the Court
23 held:

24
25 Section 506(a) divides creditors' claims into "secured...claims" and "unsecured
26 claims." Although the conventional interpretation of "secured" might include any
27 claim in which the creditor has a security interest in the debtor's property, §506(a)
28 makes clear that the status of a claim depends on the valuation of the property. An
allowed claim of a creditor secured by a lien on property in which the estate has

1 an interest ... is a secured claim to the extent of the value of such creditor's interest
2 in the estate's interest in such property ... and is an unsecured claim to the extent
3 that the value of such creditor's interest ... is less than the amount of such allowed
4 claim. To put it more simply, a claim such as a mortgage is not a "secured claim"
5 to the extent that it exceeds the value of the property that secures it. Under the
6 Bankruptcy Code, "secured claim" is thus a term of art; not every claim that is
7 secured by a lien on property will be considered a "secured claim." Here, it is plain
8 that **LITTON LOAN SERVICING's** claim for the repayment of its loan is an
9 unsecured claim, because its deed of trust is junior to the first deed of trust, and the
10 value of the loan secured by the first deed of trust is greater than the value of the
11 house.

12 Accordingly, since **LITTON LOAN SERVICING's second** mortgage claim is wholly
13 unsecured (in that there is no extant equity above the first mortgage in the Subject Property), the
14 claim should be reclassified by this Court as a general unsecured claim and share in whatever pro
15 rata distribution is being received. **LITTON LOAN SERVICING** should also be stripped of its
16 secured rights under Nevada State Law since no maintainable security interest in the subject
17 property exists.

18 Furthermore, the Debtors are not required to file an adversary proceeding to strip the lien
19 of its secured status. Debtors may "strip off" **LITTON LOAN SERVICING's** consensual lien
20 by motion. See *In re Williams*, 166 B.R. 615 (Bankr.E.D.Va.1994), *In re Fuller*, 255 B.R. 300
21 (Bankr.W.D.Mich.2000), *In re Hoskins*, 262 B.R. 693 (Bankr.E.D.Mich.2001), *In re King*, 290
22 B.R. 641 (Bankr.C.D.Ill. 2003), *In re Millspaugh*, 302 B.R. 90 (Bankr.D.Idaho 2003), *Dickey v.*
23 *Ben. Fin.* (*In re Dickey*) 293 B.R. 360 (Bankr.M.D.Pa.2003), *In re Hill*, 304 B.R. 800
24 (Bankr.S.D.Ohio 2003); *In re Sadala* 294 B.R. 180 (Bankr.M.D.Fla.2003), *In re Fisher*, 289 B.R.
25 544 (Bankr.W.D.N.Y.2003), *In re Robert*, 313 B.R. 545 (Bankr.N.D.N.Y.2004), *In re Bennett*, 312
26 B.R. 843 (Bankr.W.D.Ky.2004).

27 CONCLUSION

Debtors respectfully request that the court:

1. Determine that the first mortgage on the subject property exceeds the value;

2. Determine that the **LITTON LOAN SERVICING** second mortgage

claim is a wholly unsecured claim and strip the lien from the subject property pursuant to 11

U.S.C. Section 506(a);

3. Reclassify the secured claim filed by **LITTON LOAN SERVICING** as a

general unsecured claim to be paid pro rata in the general unsecured pool of Debtors' Chapter 13

Plan.

4. For such other and further relief which the Court deems just and proper.

DATED this 4th of DECEMBER, 2009.

THE LAW OFFICES OF
RANDOLPH H. GOLDBERG

By: /s/RANDOLPH GOLDBERG/s/
RANDOLPH H. GOLDBERG, ESQ.
4000 S. Eastern Avenue, Suite 200
Las Vegas, Nevada 89119
Attorney for Debtors

Appraisal Report**473 DALGREEN PLACE
HENDERSON, NV 89012****C & R APPRAISAL COMPANY
702-278-6099****Appraised Value as of: MARCH 19, 2009
\$ 180,000**

FEATURES

| | | | |
|-----------------------|------------------------|-----------------|----------------------------|
| Style/Design: | 1-STORY | Lot Size: | 4,851 Sq.Ft. |
| Living Area (Sq.Ft.): | 1,369 | Neighborhood: | DEL WEBB COMMUNITIE |
| Total Bedrooms: | 2 | Total Baths: | 2 |
| Year Built: | 1997 | Effective Age: | 12 |
| Condition: | ASSUMED AVERAGE | Date of Report: | 3/25/09 |

PREPARED FOR

Client: **MR. & MRS. LOMBARDI**

Address: **473 DALGREEN PLACE**

City: **HENDERSON** State: **NV** Zip: **89012**

Phone: Fax:

E-mail:

PREPARED BY



Appraiser's Signature

Name: **TRISTA CATER**

Designation: **LICENSED RESIDENTIAL APPRA**

Certification or License #: **01127**

Expiration Date: **6/30/09** ST: **NV**

E-mail: **TRISTA5@COX.NET**

FILING

Client File #: **090324**

Appraiser File #: **090324**

The value opinion expressed above is only valid in conjunction with the attached appraisal report. This value opinion may be subject to Hypothetical Conditions and/or Extraordinary Assumptions as indicated in the body of the report. A true and complete copy of this Summary Appraisal Report contains pages.

RESIDENTIAL APPRAISAL SUMMARY REPORT

SUBJECT PROPERTY IDENTIFICATION

Property Address: 473 DALGREEN PLACE **City:** HENDERSON
State: NV **Zip Code:** 89012 **County:** CLARK
Legal Description of Real Property: LOT 121, BLOCK 3 OF DEL WEBB COMMUNITIES-UNIT 4
Tax Assessor's Parcel #: 178-29-610-153 **R.E. Taxes:** \$ 1,795.52 **Tax Year:** 09-10
Special Assessments: \$ NONE **Current Owner of Record:** LOMBARDI
Occupancy: ☒ Owner ☐ Tenant ☐ Vacant **Current Occupant (if occupied):** LOMBARDI
Project Type (if applicable): ☒ Planned Unit Development ☐ Condominium ☐ Cooperative ☐
Home Owners' Association Membership Fees (if applicable): \$ 58.00 ☐ per year ☒ per month
Market Area Name: DEL WEBB COMMUNITIES **Map Reference:** 86-D3 **Census Tract:** 4120.0053.39

ASSIGNMENT

The purpose of this appraisal is to develop a Current opinion of Market Value (as defined elsewhere in this report).

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe) _____

Intended Use: THE INTENDED USE IS FOR THE COURT TO EVALUATE THE PROPERTY FOR A BANKRUPTCY FILING.

Intended User(s) (by name or type): THE OWNER AND THE BANKRUPTCY ATTORNEY/COURT.

Client: MR. & MRS. LOMBARDI **Address:** 473 DALGREEN PLACE, HENDERSON, NV 89012

Appraiser: TRISTA CATER **Address:** LAS VEGAS

MARKET AREA DESCRIPTION

Location: ☐ Urban ☒ Suburban ☐ Rural **Built Up:** ☒ Over 75% ☐ 25-75% ☐ Under 25%
Growth Rate: ☐ Rapid ☒ Stable ☐ Slow **Property Values:** ☐ Increasing ☐ Stable ☒ Declining
Demand/Supply: ☐ Shortage ☒ In Balance ☐ Over Supply **Marketing Time:** ☐ Under 3 Mos. ☒ 3-6 Mos. ☐ Over 6 Mos.
Typical One-Unit Housing Ranges:
Price: (\$) Low 150 High 475 **Predominant** 225-300
Age: (yrs.) Low 2 High 20 **Predominant** 10
Present Land Use: One-Unit: 85 % 2-4 Unit: 0 % Multi-Unit: 5 % Comm'l: 5 % Vacant 5 %
Change in Land Use: ☒ Not Likely ☐ Likely * ☐ Is Changing * * To: _____

Market Area Comments:

Sales have decreased in the last year while inventory continues to rise. Foreclosures and short sales are becoming more common in the current market. Sellers must be realistic when pricing properties and be willing to market aggressively. Listing and pending sales are emphasized and only the most current closed sales are considered reliable in this changing market.

SALE / TRANSFER / LISTING HISTORY OF SUBJECT PROPERTY

My research: ☒ Did ☐ Did not reveal any prior sales or transfers of the subject property for the three years prior to the Effective Date of this appraisal. Data Source(s): MLS/COUNTY RECORDS

| | 1st Prior Sale / Transfer | 2nd Prior Sale / Transfer | 3rd Prior Sale / Transfer |
|--|---------------------------|---------------------------|---------------------------|
| Date of Prior Sale / Transfer: | <u>8/29/06</u> | | |
| Price of Prior Sale / Transfer: | <u>\$259,900</u> | | |
| Source(s) of Prior Sale / Transfer Data: | <u>COUNTY RECORDS</u> | | |

Analysis of sale / transfer history, any current agreements of sale or listing, and listing history (if relevant):

THE SUBJECT TRANSFERRED 8/29/06 FOR \$259,900.

Client: MR. & MRS. LOMBARDI

Client File No.: _____

Appraiser File No.: 090324



RESIDENTIAL APPRAISAL SUMMARY REPORT

SITE DESCRIPTION

Dimensions: 44 +/- x 102 +/- Site Area: 4,851 Sq.Ft.

Zoning Classification: RS-6 Zoning Description: SINGLE FAMILY

Zoning Compliance: ☒ Legal ☐ Legal Non-Conforming (Grandfathered) ☐ Illegal ☐ No Zoning Regulations

Deed Restrictions: Are Covenants, Conditions, & Restrictions (CC&Rs) applicable? ☒ Yes ☐ No ☐ Unknown

Have the documents been reviewed? ☐ Yes ☒ No ☐ N/A Ground Rent (if applicable) \$ /

Comments:

Highest & Best Use, as improved, is the: ☒ Present use, or ☐ Other use (explain)

Characteristics: Topography: BUILT-UP PAD Size: TYPICAL FOR AREA

Shape: RECTANGULAR Drainage: APPEARS ADEQUATE

View: RESIDENTIAL Landscaping: AVERAGE

Other features: ☒ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☒ Underground Utilities ☐

| Utilities: | Public | Other | Provider/Description | Off-site Improvements: | Type | Public | Private |
|-----------------|-------------------------------------|--------------------------|----------------------|------------------------|---------------------|-------------------------------------|--------------------------|
| Electricity: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u> </u> | Street: | <u>ASPHALT</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u> </u> | Curb/Gutter: | <u>CONCRETE</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Water: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u> </u> | Sidewalk: | <u>CONCRETE</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Sanitary Sewer: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u> </u> | Alley: | <u>NONE/TYPICAL</u> | <input type="checkbox"/> | <input type="checkbox"/> |

Is the property or the improvements located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No

FEMA Flood Zone: X FEMA Map # 32003C 2590E FEMA Map Date: 9/02

Site Comments:

This site is typical of the neighborhood in terms of size and appeal, with no readily apparent easements or encroachments. In short, a conforming site that provides a suitable setting.

DESCRIPTION OF THE IMPROVEMENTS

General Description: # of Units: 1 ☐ + Accessory Unit # of Stories: 1 Design (Style): 1-STORY

Type: ☒ Detached ☐ Attached ☐ Status: ☒ Existing ☐ Proposed ☐ Under Construction

Actual Age (years): 12 Effective Age (years): 12 Year Built: 1997

Exterior Description:

Foundation: CONCRETE Exterior Walls: STUCCO

Roof Surface: TILE Gutters & Downspouts: NONE

Window Type(s): DUAL PANE Storm / Screens: YES

Heating System: FAU Cooling System: CENTRAL

Car Storage: ☐ None ☒ Garage ☐ Carport ☒ Driveway (Surface: CONCRETE) Total # of Cars: 2

Livable area above grade contains: 4 Rooms, 2 Bedrooms, 2 Bath(s), and 1,369 Sq.Ft. of GLA

Describe Additional Features and Improvements:

THE PROPERTY IS ASSUMED TO BE IN OVERALL AVERAGE CONDITION. NO REPAIRS, RENOVATIONS OR REMODELING NEEDED.

Client: MR. & MRS. LOMBARDI

Client File No.:

Appraiser File No.: 090324



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RESIDENTIAL APPRAISAL SUMMARY REPORT**SALES COMPARISON APPROACH TO VALUE**

For the Sales Comparison Approach, the appraiser selects comparable sales that they consider the best matches to the subject in terms of physical characteristics, physical proximity, and time of sale. The appraiser then makes adjustments to the known sale price of each comparable sale to account for differences that are recognized by the market. For example, if the subject has a single bathroom but a comparable has 2, the comparable's sale price would be reduced by the attributable value given to the extra bathroom based on the market's reaction. Likewise, if a comparable sale has a smaller square footage than the subject, its sale price would be adjusted upward in the same manner. By weighting and reconciling these adjusted sales prices together, an opinion of value for the subject can be determined.

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | COMPARABLE SALE # 2 | | COMPARABLE SALE # 3 | |
|------------------------------------|---|--|-----------------|--|-----------------|--|-----------------|
| Address | 473 DALGREEN PLACE HENDERSON, NV 89012 | 2109 HIGH MESA DRIVE APN: 178-29-112-180 | | 500 EDGEFIELD RIDGE PL. APN: 178-29-610-033 | | 445 PELICAN BAY COURT APN: 178-29-111-186 | |
| Proximity to Subject | | 0.32 miles NW | | 0.17 miles NE | | 0.50 miles W | |
| Sale Price | \$ N/A | \$ 175,000 | | \$ 180,000 | | \$ 185,500 | |
| Sale Price / GLA | \$ /Sq.Ft. | \$ 144.15/Sq.Ft. | | \$ 148.27/Sq.Ft. | | \$ 130.82/Sq.Ft. | |
| Data Source(s) | EXT.INS/TAXSTR | MLS/COUNTY RECORDS | | MLS/COUNTY RECORDS | | MLS/COUNTY RECORDS | |
| ADJUSTMENT ITEMS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjust. | DESCRIPTION | +(-) \$ Adjust. | DESCRIPTION | +(-) \$ Adjust. |
| Sales or Financing | N/A | CONV | | CONV | | CASH | |
| Concessions | N/A | NO POINTS | | NO POINTS | | | |
| Date of Sale / Time | INSP. 3/09 | COE 3/19/09 | | COE 1/30/09 | | COE 12/3/08 | |
| Rights Appraised | FEE SIMPLE | FEE SIMPLE | | FEE SIMPLE | | FEE SIMPLE | |
| Location | AVERAGE | AVERAGE | | AVERAGE | | AVERAGE | |
| Site | 4,851 Sq.Ft. | 4,665 SQ.FT. | | 4,699 SQ.FT. | | 9,653 SQ.FT. | -4,000 |
| View | RESIDENTIAL | RESIDENTIAL | | RESIDENTIAL | | RESIDENTIAL | |
| Design (Style) | 1-STORY | 1-STORY | | 1-STORY | | 1-STORY | |
| Quality of Construction | AVERAGE | AVERAGE | | AVERAGE | | AVERAGE | |
| Age | 12 | 12 | | 11 | | 13 | |
| Condition | ASSUMED AVG. | AVERAGE | | AVERAGE | | AVERAGE | |
| Above Grade | Total Bdrms Baths | Total Bdrms Baths | | Total Bdrms Baths | | Total Bdrms Baths | |
| Room Count | 4 2 2 | 4 2 2 | | 4 2 2 | | 4 2 2 | |
| Gross Living Area | 1,369 Sq.Ft. | 1,214 Sq.Ft. | +3,000 | 1,214 Sq.Ft. | +3,000 | 1,418 Sq.Ft. | -1,000 |
| Basement Total Area | N/A | N/A | | N/A | | N/A | |
| Basement Finish Area | N/A | N/A | | N/A | | N/A | |
| Functional Utility | AVERAGE | AVERAGE | | AVERAGE | | AVERAGE | |
| Heating / Cooling | FAU/CENTRAL | FAU/CENTRAL | | FAU/CENTRAL | | FAU/CENTRAL | |
| Energy Efficient Items | STANDARD | STANDARD | | STANDARD | | STANDARD | |
| Garage / Carport | 2-GARAGE | 2-GARAGE | | 2-GARAGE | | 2-GARAGE | |
| Porch / Patio / Deck | PCH,PAT,L/S | PCH,PAT,L/S | | PCH,PAT,L/S | | PCH,PAT,L/S | |
| | | | | | | | |
| | | | | | | | |
| Net Adjustment (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 3,000 | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 3,000 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -5,000 |
| Adjusted Sale Price of Comparables | | | \$ 178,000 | | \$ 183,000 | | \$ 180,500 |

Comments on the Sales Comparison Approach:

ALL SALES ARE LOCATED IN THE SAME DEVELOPMENT AS SUBJECT. SALES 1 AND 2 ARE INFERIOR TO SUBJECT DUE TO GROSS LIVING AREA. SALE 3 IS SUPERIOR TO SUBJECT DUE TO SITE SIZE AND GROSS LIVING AREA. SEE ATTACHED ADDENDA...

Client: MR. & MRS. LOMBARDI

Client File No.:

Appraiser File No.: 090324



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RESIDENTIAL APPRAISAL SUMMARY REPORT

RECONCILIATION

Final Reconciliation of the Approaches to Value:

In developing this appraisal, the appraiser has incorporated only the Sales Comparison approach. The appraiser has excluded the Cost and Income approaches. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible.

This appraisal is made ☒ "as is"; ☐ subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed; ☐ subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed; ☐ subject to the following required inspection(s) based on the Extraordinary Assumption that the following condition or deficiency does not require alteration or repair:

Subject is marketable "as is" and no repairs or alterations are required. See attached addenda.

☐ This report is also subject to other Hypothetical Conditions or Extraordinary Assumptions as specified elsewhere in this report.

ATTACHMENTS

A true and complete copy of this report contains _____ pages, including all exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.

Attached Exhibits:


- | | | | |
|--|---|--|--|
| <input checked="" type="checkbox"/> Scope of Work | <input checked="" type="checkbox"/> Limiting Conditions | <input checked="" type="checkbox"/> Certifications | <input checked="" type="checkbox"/> Narrative Addendum |
| <input checked="" type="checkbox"/> Photograph Addenda | <input type="checkbox"/> Sketch Addendum | <input checked="" type="checkbox"/> Map Addenda | <input type="checkbox"/> Flood Addendum |
| <input type="checkbox"/> Additional Sales | <input type="checkbox"/> Cost Addendum | <input type="checkbox"/> Manufactured House Addendum | <input type="checkbox"/> Hypothetical Conditions |
| <input type="checkbox"/> Extraordinary Assumptions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

OPINION OF VALUE

This Opinion of Value may be subject to other Hypothetical Conditions and / or Extraordinary Assumptions, if so indicated above. Based on the degree of inspection of the subject property as indicated below; the defined Scope of Work for this appraisal assignment; the attached Statement of Assumptions and Limiting Conditions; and the attached Appraiser's Certifications, my (our) Current Opinion of the Market Value (or value range), as defined elsewhere in this report, of the real property that is the subject of this report is: \$ 190,000, as of: MARCH 25, 2009, which is both the Inspection Date and the Effective Date of this appraisal.

SIGNATURES

APPRAISER



Appraiser Name: TRISTA CATER
 Company: C & R APPRAISAL COMPANY
 Phone: 702-278-6099 Fax: _____
 E-mail: TRISTA5@COX.NET
 Date of Report (Signature): 3/25/09
 License or Certification #: 01127 State: NV
 Designation: LICENSED RESIDENTIAL APPRAISER
 Expiration Date of License or Certification: 6/30/09
 Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None
 Date of Inspection: MARCH 25, 2009

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or
Co-Appraiser Name: _____
 Company: _____
 Phone: _____ Fax: _____
 E-mail: _____
 Date of Report (Signature): _____
 License or Certification #: _____ State: _____
 Designation: _____
 Expiration Date of License or Certification: _____
 Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☐ None
 Date of Inspection: _____

Client: MR. & MRS. LOMBARDI

Client File No.: _____

Appraiser File No.: 090324



ASSUMPTIONS & LIMITING CONDITIONS**SUBJECT PROPERTY**

| | | | |
|--------------------------|---------------------------|------------------|------------------|
| Property Address: | <u>473 DALGREEN PLACE</u> | City: | <u>HENDERSON</u> |
| State: | <u>NV</u> | Zip Code: | <u>89012</u> |
| | | County: | <u>CLARK</u> |

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.
- **In developing this appraisal, the appraiser has incorporated only the Sales Comparison approach. The appraiser has excluded the Cost and Income approaches. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible.**

Client: MR. & MRS. LOMBARDI

Client File No.:

Appraiser File No.: 090324



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DEFINITIONS & SCOPE OF WORK

SUBJECT PROPERTY

| | | | |
|--------------------------|--------------------|------------------|-----------|
| Property Address: | 473 DALGREEN PLACE | City: | HENDERSON |
| State: | NV | Zip Code: | 89012 |
| | | County: | CLARK |

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Client: MR. & MRS. LOMBARDI

Client File No.:

Appraiser File No.: 090324

GP CONSUMERSF

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CERTIFICATIONS

SUBJECT PROPERTY

| | | |
|---|------------------------|------------------------|
| Property Address: <u>473 DALGREEN PLACE</u> | | City: <u>HENDERSON</u> |
| State: <u>NV</u> | Zip Code: <u>89012</u> | County: <u>CLARK</u> |

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

SIGNATURES**APPRAISER**

SUPERVISORY APPRAISER (if required)
or CO-APPRAISER (if applicable)



Appraiser Name: TRISTA CATER
 Company: C & R APPRAISAL COMPANY
 Phone: 702-278-6099 Fax: _____
 E-mail: TRISTA5@COX.NET
 Date of Report (Signature): 3/25/09
 License or Certification #: 01127 State: NV
 Designation: LICENSED RESIDENTIAL APPRAISER
 Expiration Date of License or Certification: 6/30/09
 Inspection of Subject: ☐ Interior & Exterior ☒ Exterior Only ☐ None
 Date of Inspection: MARCH 25, 2009

Supervisory or
 Co-Appraiser Name: _____
 Company: _____
 Phone: _____ Fax: _____
 E-mail: _____
 Date of Report (Signature): _____
 License or Certification #: _____ State: _____
 Designation: _____
 Expiration Date of License or Certification: _____
 Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☐ None
 Date of Inspection: _____

Client: _____

Client File No.: _____

Appraiser File No.: 090324

Supplemental Addendum

File No. 090324

| | | | | |
|------------------|---------------------|--------|-------|-------------------------|
| Borrower/Client | BLUM | | | |
| Property Address | 473 DALGREEN PLACE | | | |
| City | HENDERSON | County | CLARK | State NV Zip Code 89012 |
| Client | MR. & MRS. LOMBARDI | | | |

• URAR: Neighborhood Market Factors

Las Vegas has a tourist-based economy. The service industry, which includes hotels, gaming, and recreation, accounts for over 30% of the employment within the city. Nellis Air Force Base, the Nevada Test Site, and several industrial and manufacturing plants are other main sources of employment. Also included are the secondary levels of support employment that are typical for a community with the size and population of the Las Vegas area. Growth in the Las Vegas valley remains constant adding to employment stability, and in turn, adding to the city's appeal.

Most of the competition for the subject will come from new tract development. Due to the tremendous growth in the Las Vegas Valley, new development will directly compete with both existing and other new development. The subject neighborhood is consistent with other competitive neighborhoods within the Las Vegas Valley and demonstrates a similar overall marketability to those areas.

• URAR: Sales Comparison Comments

This submarket was searched extensively and the comparable sales selected are considered the most similar to the subject in the current time frame. Any comparable which sold/closed escrow more than six months from the date of inspection was used due to a lack of any better/more recent sales in this submarket. Furthermore, any dated sale used is still a reliable indicator of current market value. All of the comparable sales are from within the subject subdivision or from the most proximate competing market areas. All line item adjustments are either market extracted and represent what informed purchasers are willing to pay for those items, or, when ideal "matched pair" sales are unavailable and no market extraction is possible, adjustments are derived from the cost new of the item, less all forms of depreciation. No value has been assigned to any personal property or any fixture not permanently attached.

In order to develop a reasonable analysis for the value of the property, a review of sales data from several sources was conducted. This investigation included the Multiple Listing Service as well as the county records and appraiser's files. Competing listings were also reviewed to determine the current competition and establish the upper limits of value in this submarket. The information provided herein is deemed to be accurate based on the sources cited.

• URAR: Final Reconciliation

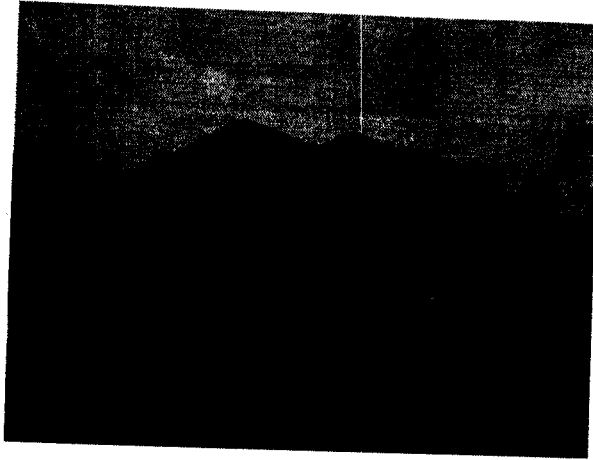
Greatest weight has been placed on the Sales Comparison Analysis as the actions of buyers and sellers are reflected therein. There is insufficient rental data to produce consistent conclusions about market rent and gross rent multipliers and, therefore, the Income Approach was omitted. I am aware of the changes made by USPAP to the appraiser's certification and will abide by those changes. I have no bias in respect to the subject property.

Additional Comments:

All electronic signatures on this report have a security feature maintained by individual passwords for each signing appraiser. No person can alter the appraisal with the exception of the original signing appraiser(s).

Photograph Addendum

| | | | | | |
|------------------|---------------------|--------|-------|----------|-------|
| Borrower/Client | BLUM | | | | |
| Property Address | 473 DALGREEN PLACE | | | | |
| City | HENDERSON | County | CLARK | State | NV |
| Client | MR. & MRS. LOMBARDI | | | Zip Code | 89012 |



FRONT VIEW OF SUBJECT PROPERTY



STREET VIEW

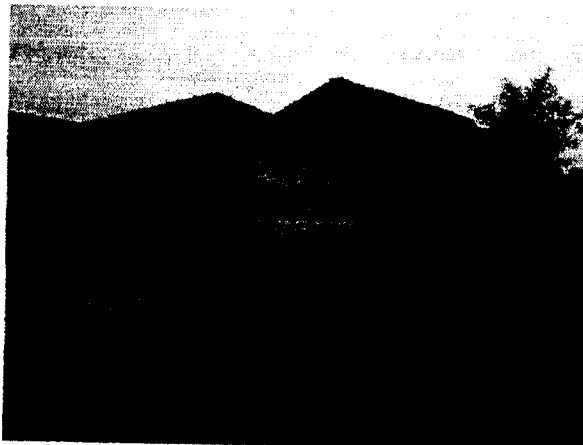
Comparable Photo Page

| | | | | | |
|------------------|---------------------|--|--------|-------|-------------------------|
| Borrower/Client | BLUM | | | | |
| Property Address | 473 DALGREEN PLACE | | | | |
| City | HENDERSON | | County | CLARK | State NV Zip Code 89012 |
| Client | MR. & MRS. LOMBARDI | | | | |



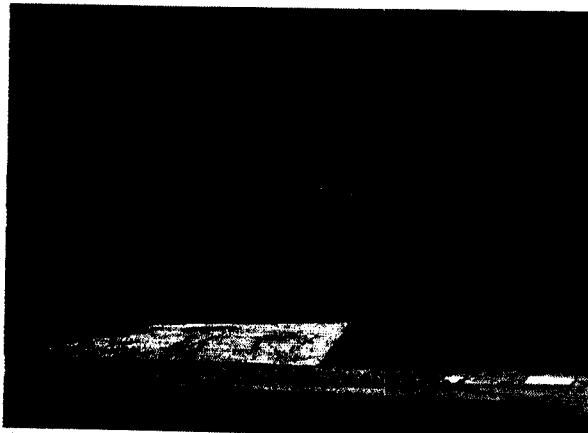
Comparable 1

2109 HIGH MESA DRIVE



Comparable 2

500 EDGEFIELD RIDGE PL.

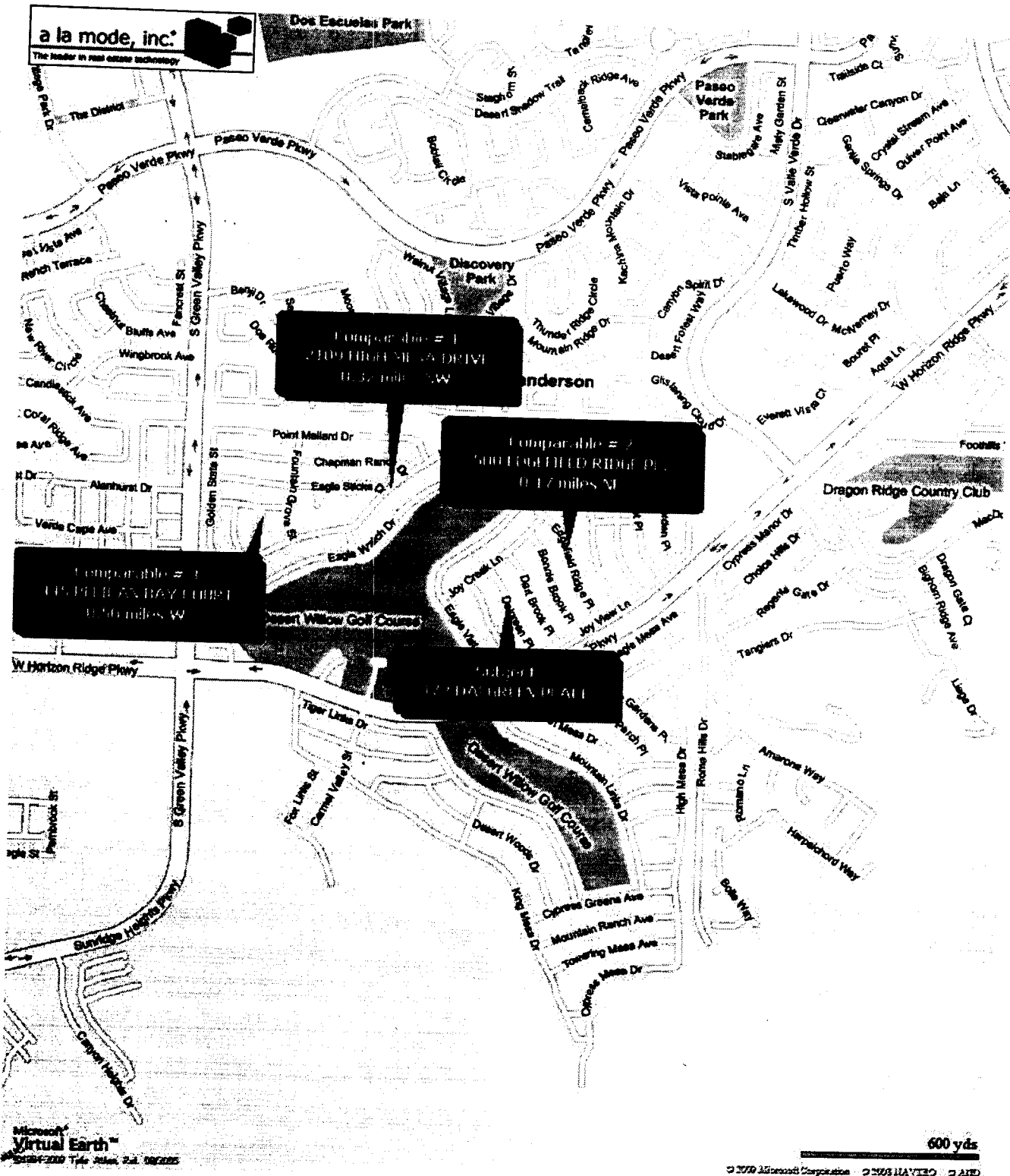


Comparable 3

445 PELICAN BAY COURT

Location Map

| | | | | |
|------------------|---------------------|--------|-------|----------------|
| Borrower/Client | BLUM | | | |
| Property Address | 473 DALGREEN PLACE | | | |
| City | HENDERSON | County | CLARK | State NV |
| Client | MR. & MRS. LOMBARDI | | | Zip Code 89012 |



LICENSE**APPRAISER LICENSE**

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That: TRISTIA R CATER

License Number: A.0001127-RES

is duly authorized to act as a LICENSED RESIDENTIAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the license is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: July 13, 2007

Expiry Date: June 30, 2009

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in it by Chapter 645C of the Nevada Revised Statutes, has caused this license to be issued with its Seal printed thereon. This license must be conspicuously displayed in place of business.

FOR: TRISTIA ROMERO C & R APPRAISAL CO

REAL ESTATE DIVISION

6805 HAVEN HOLLOW AVENUE
LAS VEGAS, NV 89130

GAIL J. ANDERSON

